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FOR IMMEDIATE RELEASE

Final Defendant in Baptist Foundation Case Pleads Guilty

(Phoenix, Ariz. – September 5, 2006) Lawrence Dwain Hoover today pleaded guilty to one count of fraud in the criminal case involving the Baptist Foundation of Arizona (BFA). Hoover was a member of the Baptist Foundation Board in the late 1970s and served on the board until 1999 when the organization filed for bankruptcy.

Hoover, 71, of Paradise Valley, participated in various BFA financial transactions that allowed the Foundation to falsely portray its financial position to investors. In a statement submitted with the plea agreement, Hoover admitted to knowingly participating in a series of year-end transactions for the purpose of inflating BFA's financial statements. He also admitted donating proceeds from various sales of personal property to the BFA in an effort to place the organization's year-end financial statements in a positive light.

In July 2006, a Maricopa County Superior Court jury found former BFA President William Crotts and former BFA general counsel Thomas Grabinski guilty of three counts of fraud and one count of illegally conducting an enterprise.

The verdicts came at the end of a 10-month trial, Arizona's longest criminal trial. The failure of the Baptist Foundation of Arizona was the largest non-profit bankruptcy in the nation's history.

Investigators with the Attorney General's Office and the Arizona Corporation Commission began looking into the Foundation in 1998, when allegations surfaced that BFA was misrepresenting its financial condition to potential investors. The Arizona Corporation Commission issued an order in the summer of 1999 requiring the Foundation to stop selling investments in violation of the Arizona Securities Act. BFA went bankrupt later that year, making it the largest non-profit bankruptcy in U.S. history.

Hoover faces up to 12.5 years in prison and agreed to pay \$500,000 in restitution. Sentencing is scheduled for Nov. 28th and 29th in the Board of Supervisor's Auditorium before Judge Kenneth L. Fields.

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